

Exhibit A



PROSPECTIVE FINANCIAL ANALYSES
FOR VARIOUS OWNERSHIP AND OPERATIONAL
SCENARIOS RELATING TO

THE RESORTS INTERNATIONAL CASINO-HOTEL
AND
THE TAJ MAHAL HOTEL & CASINO

SEPTEMBER 1987

EXHIBIT # WEBB-7
DATE 9-17-91 VEB
W. TAYLOR & COMPANY, INC.
FIRM 5000 1000 1000 1000



Laventhol & Horwath
Certified Public Accountants

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September 25, 1987

Mr. E. Steven Horton
Executive Vice President
Resorts International, Inc.
Atlantic City, New Jersey

Dear Mr. Horton:

In accordance with our engagement letter dated July 29, 1987, we have prepared prospective analyses of cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income ("cash flow") for the Resorts International Casino-Hotel and the Taj Mahal Hotel & Casino under various assumed ownership and operational scenarios. This report presents the underlying assumptions and our findings, conclusions, recommendations and prospective analyses.

This report is based on estimates, assumptions and other information developed from research of the market, our knowledge of the industry and our meetings with you during which we were provided certain information. The sources of information and the bases of the estimates and assumptions are stated herein. The terms of this engagement are such that we have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of completion of our fieldwork, September 25, 1987. However, we are available to discuss the necessity for revision in view of changes in the economic or market factors affecting the subject properties.

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PROSPECTIVE ANALYSIS

The accompanying prospective analyses of future operating results are based on estimates and assumptions developed in connection with our market analyses. However, some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period of the prospective analyses will vary from the estimates, and the variations may be material.

In accordance with our engagement letter, we did not ascertain the legal and regulatory requirements applicable to these properties, including zoning, other state and local government regulations, permits and licenses. In addition, no effort has been made to determine the possible effect on the properties of present or future federal, state or local legislation, including any environmental or ecological matters or interpretations thereof or of future energy shortages.

Further, we have not been engaged to evaluate the effectiveness of management and we are not responsible for future marketing efforts and other management actions upon which actual results will depend.

Our report is intended solely for the information of the officers, directors and shareholders of Resorts International, Inc. and, if desired, the Casino Control Commission of New Jersey. Otherwise, neither this report nor its contents may be referred to or quoted in any registration statement, prospectus, loan or other agreement or document without our prior written consent.

Laventhol & Horwath

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EXHIBITS

Prospective Analyses of Cash Flow from Operations Before Management Fees, Reserve for Replacement of Fixed Assets, Debt Service and Taxes on Income, Years ending December 31, 1989 through 1992:

A	.	.	.	.	RICH and Taj Mahal Owned by Resorts as Casino-Hotels -- Combined
A-1	.	.	.	.	RICH Owned by Resorts
A-2	.	.	.	.	Taj Mahal Hotel & Casino
B	RICH and Taj Mahal Owned by Resorts (with RICH Casino Closed) -- Combined
B-1	RICH Owned by Resorts (with Casino Closed)

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EXHIBITS (CONTINUED)

B-2	Taj Mahal Hotel & Casino (with RICH Owned by Resorts, with Casino Closed)
C	.	.	.	.	RICH Owned and Operated by a Competitor; Taj Mahal Owned by Resorts (in Competition with RICH) -- Combined
C-1	.	.	.	.	RICH Owned and Operated by a Competitor
C-2	.	.	.	.	Taj Mahal Owned by Resorts (in Competition with RICH)

INTRODUCTION AND SCOPE

Resorts International, Inc. ("Resorts") is proactively analyzing its future options regarding its casino-hotel holdings in Atlantic City in an effort to maximize corporate operating incomes and shareholder value. Specifically, Resorts is analyzing its options regarding the Resorts International Casino-Hotel ("RICH") and the adjacent, under construction, Taj Mahal Hotel & Casino ("the Taj") which is scheduled to open in the fourth quarter of 1988. The various scenarios being analyzed are as follows:

- . The Taj opens and Resorts owns and operates both the Taj and RICH as casino-hotels;

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- . The Taj opens and Resorts converts the casino at the RICH to meeting/exhibit space with the remainder of the RICH operated as a support facility for the Taj; and
- . The Taj opens and the RICH is sold to another qualified casino-hotel operator and is operated as a competitor to the Taj.

As part of its "due diligence" efforts, Resorts retained Laventhol & Horvath to prepare prospective analyses of cash flow for the four years ending December 31, 1992 for each of the alternatives previously mentioned.

The procedures undertaken included, but were not necessarily limited to, the following. We:

- . Met with representatives of Resorts to discuss the different scenarios and avail ourselves of relevant information;
- . Availed ourselves of information relating to Atlantic City casino-hotel market shares and financial operating results;
- . Analyzed the operational efficiencies associated with each alternative;
- . Analyzed the competitive attributes inherent to each alternative;
- . Prepared prospective levels of casino win for the Taj Mahal and the RICH casino, where appropriate;

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- Prepared prospective analyses of cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income for the stipulated period for each alternative; and
- Prepared a written report summarizing our findings, conclusions and prospective analyses.

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EXECUTIVE SUMMARY

The gaming industry in Atlantic City, New Jersey began in May 1978 with the opening of the Resorts International Casino-Hotel and has grown to a current supply of 12 casino-hotels. The largest casino-hotel yet, the 1,250-room, 120,000-square-foot casino Taj Mahal Hotel & Casino, is scheduled to open in the fourth quarter of 1988. Resorts International, Inc. owns both the Resorts International Casino-Hotel and the Taj Mahal project.

While Atlantic City's casino win totals continue to increase annually, these increases are decreasing in magnitude

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and overall profit percentages have become relatively flat, indicating reduced growth and increasing competitiveness in the market. One casino-hotel, the Atlantis, is under the protection of Chapter 11 of the Bankruptcy Act and several others are considered poor performers, at least in part due to this increased competitiveness.

With the opening of the Taj scheduled for the fourth quarter of 1988 in this extremely competitive environment, Resorts is proactively evaluating its options regarding the Taj and RICE. Assuming that one option available to Resorts would be to close the Resorts International Casino-Hotel's casino and operate its remaining facilities in support of the Taj Mahal and its casino, and another would be to sell the Resorts International Casino-Hotel ("RICE") to another owner/operator. Citywide casino win estimates were prepared for the period January 1, 1989 through December 31, 1992 under each option in inflated dollars, as follows:

<u>Year</u>	<u>Prospective levels of Citywide casino win (000's)</u>	
	<u>With RICE casino open</u>	<u>With RICE casino closed</u>
1989	\$2,919,734	\$2,866,431
1990	3,094,918	3,067,081
1991	3,280,613	3,280,613
1992	3,477,450	3,477,450

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Levels of casino win were estimated for both RICH and the Taj Mahal under the following scenarios: (1) both casinos are open and owned by Resorts; (2) RICH is sold to another experienced owner/operator and operated as a competitor to the Taj Mahal; and (3) the Taj Mahal is supported by RICH with its casino closed and converted to meeting/exhibit space. The final option offers two particular advantages to the entire casino supply in Atlantic City, as well as to Resorts: (1) it results in one less casino and 60,000 square feet less casino area and, thus, less dilution of the Citywide win and higher average wins per casino (which would be of particular importance to the Atlantis and Claridge operations); and (2) it provides some 60,000 square feet more in much-needed meeting/exhibit space to help attract and service the convention market (the increased attraction of which was a primary goal of the Casino Control Act).

Prospective analyses of cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income ("cash flow") were also prepared, in inflated dollars, for each scenario for the four-year period ending December 31, 1992. The prospective cash flows are based on the historical operating characteristics of RICH and other Atlantic City casino-hotels and the assumption that the Trump Organization, or an affiliate thereof, will be retained to

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coordinate the operations of the casino-hotels. These cash flows, as they would accrue to Resorts as owner, are summarized in the following table:

Prospective Cash Flows from Operations before Management Fees, Reserve for Replacement of Fixed Assets, Debt Service and Taxes on Income (000's)

<u>Year</u>	<u>RICH and Taj Owned by Resorts as Casino-Hotels</u>	<u>RICH and Taj Owned by Resorts (with RICH Casino Closed)</u>	<u>Taj Owned by Resorts (in Competition with RICH)</u>
1989	\$107,577	\$140,363	\$ 78,496
1990	125,293	161,125	90,770
1991	143,830	184,864	105,475
1992	157,774	200,380	115,359

These prospective cash flows reflect that the efficiencies associated with the use of RICH without a casino in support of the Taj greatly enhance operating performance and efficiency and result in higher profits. They also indicate that the assumed sale and operation of RICH as a competing casino-hotel result in substantially reduced cash flows to Resorts, which reductions most probably cannot be offset by proceeds from the assumed sale. They do not reflect, however, savings that would occur through lower pre-opening expenses and training costs, improved employee efficiencies and reduced capital expenditures and working capital requirements (cash banks) should the RICH casino close almost concurrently with the opening of the Taj casino, thus allowing a shifting of already trained personnel and funds rather than a total new hiring and training situation.

HISTORICAL SUMMARY

CITYWIDE

The first casino-hotel in Atlantic City ("the City"), the Resorts International Casino-Hotel, opened its casino on May 26, 1978. Since that time, 11 more casino-hotels have opened in the City and, as a result, the gaming industry in Atlantic City has become increasingly competitive.

The City's primary need at this time is to become more of a year-round destination resort, particularly to major

HISTORICAL SUMMARY

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conventions and group meetings. This business is typically strongest on weekdays in the fall and spring -- periods when Atlantic City's casinos have a great deal of excess capacity. Efforts such as a new convention center and the construction of additional guest rooms and meeting and arena space in the City will help attract this demand and provide more support to the City's casinos.

The data presented on the following page summarizes various win statistics which indicate a maturation/stabilization of the Atlantic City casino market over the past few years.

In addition to the slowdown in the rate of increase in casino win and the stabilization in the average win per casino, the increased competition in recent years has resulted in a decline then stabilization in the overall profitability percentages of the City's casino-hotels.

Among the casinos pulling the overall profit percentages down are the Atlantis, which is currently under the protection of Chapter 11 of the Bankruptcy Act, and the Claridge. Citywide average incomes before depreciation and amortization, charges from affiliates and interest, but after management fees, have decreased as percentages of total revenues from the high 30's in the late 1970's, through the mid-20's in the early 1980's to around 20 percent in the last three years.

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**Casino Win Statistics
Atlantic City, New Jersey
1970 through 1986**

Year	Casino win		Casino square footage		Average casino win per square foot	Average number of casinos open	Average win per casino-equivalent (000)
	Amount (000)	Yrlydlt Increase	Average annual amount	Percent Increase			
1970	0	-	29,700	-	04,502	.6	0223,455
1979	325,401	142.00	85,365	106.70	3,013	1.5	216,907
1980	642,673	97.5	106,972	119.0	3,437	3.6	170,320
1981	1,099,703	71.1	339,160	81.4	3,243	7.3	150,655
1982	1,493,164	35.0	423,112	24.7	3,539	9.0	165,907
1983	1,770,902	10.6	420,007	1.4	4,129	9.0	196,771
1984	1,951,767	10.2	475,072	11.0	4,101	9.6	203,309
1985	2,130,652	9.6	503,383	14.0	3,943	10.5	203,601
1986	2,201,393	6.7	507,077	0.2	3,006	11.0	207,302

Source: New Jersey Casino Control Commission and Lavevthol & Horvath.

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A "snapshot" of the Atlantic City casino-hotel supply as of June 30, 1987, with selected operating statistics, follows:

<u>Casino-hotel</u>	<u>Date opened</u>	<u>Number of rooms</u>	<u>Casino square footage</u>	<u>Casino win-1986 (000's)</u>
Resorts Inter- national	May 26, 1978	724	59,857	\$ 234,995
Caesar's Board- walk Regency	June 26, 1979	645	59,296	259,632
Bally's Park Place	December 29, 1979	510	59,967	228,407
Sands	August 13, 1980	501	49,688	189,936
Harrah's	November 23, 1980	750	60,444	236,511
Golden Nugget	December 9, 1980	518	43,612	249,930
Atlantis	April 14, 1981	500	50,875	102,991
Claridge	July 20, 1981	504	43,168	119,864
Tropicana	November 23, 1981	513	59,673	214,423
Trump Plaza	May 14, 1984	614	60,000	218,026
Trump's Castle	June 17, 1985	603	60,000	226,478
Showboat	March 30, 1987	516	60,000	Not open
Totals		<u>6,898</u>	<u>666,580</u>	<u>\$2,281,193</u>

Source: Atlantic City Casino Association.

The only certain addition to be made to the above casino-hotel supply is Resorts' Taj Mahal Hotel & Casino ("the Taj"), currently scheduled to open across the street from the RICH in the last quarter of 1988 (assumed herein to be January 1, 1989). The Taj will be Atlantic City's largest casino-hotel, with some 120,000 square feet of casino space, 1,250 guest rooms and 170,000 square feet of convention space, including a 6,000-seat arena. These additions will result in 18 percent increases in both the casino square footage and casino-hotel guest room

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supplies. A net 120,000-square-foot increase in casino square footage will be the largest single increase in Atlantic City's history and the largest percentage increase since 1982. Its impact will be felt, particularly by the poorer performing casino-hotels. The negative impact on the wins and profits of the existing casino-hotels, however, could be partially negated should the RICH's casino be closed and the Citywide casino win therefore diluted less. The possible impact of the entry of the Taj on Citywide casino win is discussed in a later section of the report.

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PROSPECTIVE MARKET POSITIONS -- CASINO WIN

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PROSPECTIVE MARKET POSITIONS -- CASINO WIN

This section of the report presents prospective analyses for the Atlantic City casino industry -- for the City as a whole and for the RICH and Taj casinos under various operating scenarios. All amounts indicated in this section are expressed in dollars adjusted for the presumed effects of inflation.

CITYWIDE

Laventhol & Horwath prepares prospective estimates of casino win for Atlantic City as a whole on the basis of the historical relationships between changes in the monthly Citywide

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PROSPECTIVE MARKET POSITIONS -- CASINO WIN

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win-per-square-foot and changes in the monthly Citywide casino square footage. The table on the following page presents the monthly average casino square footages for Atlantic City from January 1982 through July 1987 and the related monthly wins-per-square-foot.

Results of analyses of the relationships between changes in casino supply and casino demand (win-per-square-foot) since 1981 were used herein to estimate Citywide casino wins through 1990, after which (through 1992) no additions to casino supply are anticipated and an annual increase of six percent in win-per-square-foot was estimated (supported by market experience).

Apart from the varying operational scenarios wherein RICH's casino may be in operation, either by Resorts or by a new owner, or closed, only three casino supply changes are contemplated in the prospective analyses herein:

- . Fourth quarter 1988 - the Taj Mahal opens with 120,000 square feet of casino space (and RICH closes under the applicable scenario). Date of opening assumed herein to be January 1, 1989.
- . October 1, 1988 - a 30,000-square-foot expansion to the Tropicana's casino opens.
- . January 1, 1989 - a 20,000-square-foot expansion to Bally's Park Place casino opens.

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**Monthly Casino Win Statistics
Atlantic City, New Jersey
January 1982 through July 1987**

		<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
January:	Average square footage Win per square foot	415,600 0210	427,007 0202	422,533 0311	510,105 0259	570,593 0276	509,605 0202
February:	Average square footage Win per square foot	415,600 0243	430,531 0207	419,000 0342	510,104 0207	500,795 0270	601,735 0300
March:	Average square footage Win per square foot	415,600 0265	430,531 0310	410,724 0349	509,179 0345	500,795 0316	605,606 0320
April:	Average square footage Win per square foot	415,600 0279	430,531 0330	422,090 0363	509,104 0326	501,021 0326	662,443 0300
May:	Average square footage Win per square foot	426,306 0293	430,532 0339	439,627 0355	509,712 0340	504,527 0336	666,500 0323
June:	Average square footage Win per square foot	426,306 0291	430,532 0345	500,037 0323	530,905 0346	504,527 0330	666,500 0321
July:	Average square footage Win per square foot	426,306 0373	430,532 0450	509,475 0392	540,905 0393	504,526 0397	666,905 0366
August:	Average square footage Win per square foot	427,007 0360	430,532 0424	509,726 0391	540,905 0403	595,306 0417	
September:	Average square footage Win per square foot	427,007 0305	430,532 0309	510,106 0350	540,905 0317	595,320 0316	
October:	Average square footage Win per square foot	427,007 0313	430,910 0371	510,104 0320	549,147 0330	595,320 0321	
November:	Average square footage Win per square foot	427,007 0200	423,195 0339	510,104 0302	547,427 0317	595,327 0321	
December:	Average square footage Win per square foot	427,007 0260	423,195 0204	510,106 0303	570,467 0256	594,055 0267	
Annual:	Average square footage Win per square foot	423,112 03,529	420,007 04,129	475,072 04,101	502,345 03,963	507,077 03,006	

Source: Atlantic City Casino Association and Laventhol & Borwath.

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PROSPECTIVE MARKET POSITIONS -- CASINO WIN

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Based on a July 1, 1987 Citywide supply of 666,580 square feet, the supply additions discussed on page 18 and the demand estimate methodologies previously discussed, Citywide casino wins were estimated to be as shown on the following page. As indicated, the closure of the RICH casino is estimated to result in temporary reductions in annual Citywide casino win of approximately \$28 to \$54 million in the calendar years 1989 and 1990, after which Citywide win levels are estimated to recover and be the same under both scenarios. However, due to the related fact that one less casino would be in operation, the prospective average wins-per-casino would be much higher under the RICH casino closed scenario as shown below for the years 1989 through 1992:

Year	<u>RICH casino open</u>		<u>RICH casino closed</u>	
	<u>Number of casinos</u>	<u>Prospective win per casino (000's)</u>	<u>Number of casinos</u>	<u>Prospective win per casino (000's)</u>
1989	13	\$224,595	12	\$238,869
1990	13	238,071	12	255,590
1991	13	252,355	12	273,384
1992	13	267,496	12	289,788

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Prospective Citywide Casino Winq
1987 through 1992
(Expressed in inflated dollars)

Year	With new casino open			With new casino closed		
	Average Citywide casino square feetage (rounded)	Citywide casino win (1989\$)	Percentage increase	Average Citywide casino square feetage (rounded)	Citywide casino win (1989\$)	Percentage increase
1987	649,300	93,797	0.10*	649,300	92,463,392	0.10*
1988	674,100	3,096	6.5	674,100	2,626,294	6.5
1989	836,600	3,490	11.2	776,600	2,066,431	9.1
1990	836,600	3,699	6.0	776,600	3,067,001	7.0
1991	836,600	3,921	6.0	776,600	3,200,613	7.0
1992	836,600	4,137	6.0	776,600	3,477,450	6.0

*Increase based on 1986 casino win of 92,101,193,000 (rounded).

Note: The comments and assumptions contained in this report are an integral part of these prospective data.

PROSPECTIVE MARKET POSITIONS -- CASINO WIN

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RESORTS INTERNATIONAL CASINO-HOTEL

Casino win levels are estimated for RICH under two scenarios: (1) that it continues to be operated by Resorts as a casino-hotel in conjunction with the Taj; and (2) that it is sold and operated as a casino-hotel competitive with the Taj. Under the first scenario, it is assumed that RICH and the Taj are physically connected. Under the second scenario, it is assumed that the new operator would be experienced and would have a name with market recognition. However, no specific owner/operator was considered.

RICH Owned by Resorts

With Resorts owning both the Taj and RICH casinos, management would most likely shift almost all of its high-roller, table game-oriented customers to the Taj and concentrate on slot play and bus patron business at the older, smaller RICH casino. Given an option, management will almost certainly attempt to optimize casino win at the more efficient Taj at the sacrifice of RICH's win. For this reason, we have estimated RICH's percentage of fair share to drop to 87 percent of its proportionate share of

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PROSPECTIVE MARKET POSITIONS -- CASINO WIN.

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Citywide win (on a square foot basis) in all years under this scenario and the resultant levels of casino win to be as follows:

<u>Year</u>	<u>RICH's percentage of "fair" share on a per- square-foot basis</u>	<u>Prospective casino win - RICH (000's)</u>
1989	87%	\$182,178
1990	87	193,109
1991	87	204,695
1992	87	216,977

RICH Operated by New Owner/Operator

Should RICH be sold (which sale would be difficult and result in a lower price given the excess supply of casino space that currently exists in Atlantic City, the anticipated reduction in casino-hotel profits due to the opening of the Taj Mahal immediately next door to RICH and the imminent increases in competitive supply in the marketplace generally as the 120,000-square-foot Taj Mahal and two casino expansions are placed in service) to another experienced owner/operator with an established name, it will probably experience higher levels of casino win as the new operator makes every attempt to maximize win/market penetration and compete with the Taj Mahal through special promotions, extensive bus programs and other efforts to attract patrons to the casino. (It will be discussed later,

PROSPECTIVE MARKET POSITIONS -- CASINO WIN

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however, that the expenses to undertake such efforts and attract these patrons may actually result in lower profits. In reflection of this revenue-maximization philosophy, casino win levels were estimated for RICH under new ownership (and in competition with the adjacent Taj Mahal) to be as follows:

<u>Year</u>	<u>RICH's percentage of "fair" share on a per-square- foot basis</u>	<u>Prospective casino win-RICH (000's)</u>
1989	85%	\$177,990
1990	90	199,768
1991	90	211,754
1992	90	224,459

Thus, after a slightly lower win level in its initial year of operation, RICH under new ownership/operation is estimated to generate slightly higher levels of casino win than under the scenario wherein RICH is operated by Resorts in conjunction with the Taj Mahal.

TAJ MAHAL HOTEL & CASINO

Casino win levels were estimated for the new 120,000-square-foot Taj Mahal casino under three scenarios: (1) that it is owned by Resorts and operated in conjunction with RICH as a complementary casino-hotel; (2) that it is owned by Resorts and

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PROSPECTIVE MARKET POSITIONS — CASINO WIN

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operated in competition with RICH under new ownership and management; and (3) that it is owned by Resorts and operated in conjunction with RICH as a supporting facility, with RICH's casino closed and converted to meeting or exhibit space to help attract and service conventions, trade shows, etc. and make Atlantic City a more attractive destination resort as well as broadening the local economic base as a result of the expanded convention industry. The attraction of such increased convention and trade show demand under all three scenarios involving the Taj will help achieve one of the primary objectives of the Casino Control Act — to revive the City's once flourishing convention-business — and will be maximized in the scenario wherein the RICH casino room is closed and converted to convention/exhibit space.

Taj Mahal With RICH — Two Casinos
Owned by Resorts

As discussed on page 22, management would most likely shift almost all of its high-roller, table game-oriented customers to the Taj should it operate both casinos. In estimating percentages of fair share for the Taj, on a per-square-foot basis, we considered the following factors which would contribute towards the Taj achieving either a premium or discounted share of the market:

PROSPECTIVE MARKET POSITIONS -- CASINO WIN

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. Factors favoring a premium share:

- .. The newest and largest casino-hotel in the City;
- .. The beneficial "critical mass" of facilities available at that end of the Boardwalk (the two newest casinos at Showboat and the Taj, plus RICH);
- .. The extraordinary scope of support facilities (guest rooms, suites, food and beverage outlets, recreational and entertainment facilities, meeting space, parking, etc.) available between the two properties -- critical in attracting shoulder season conventions and group meetings;
- .. The ability of the Taj to attract and service sports and other special events and major gate shows using its 6,000-seat arena and spacious meeting space; and
- .. The Taj's "inheritance" of loyal customers from RICH, particularly its high-roller, table-game oriented patrons.

. Factor favoring a discounted share:

- .. The need for Taj to share some markets with RICH.

With RICH and the Taj combining their casinos, guest rooms, food and beverage outlets, meeting space, recreational and entertainment facilities and parking to help in attracting and servicing more casino patrons, especially from conventions, the Taj should be able to improve its percentages of fair share and

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PROSPECTIVE MARKET POSITIONS -- CASINO WIN

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the pair should constitute the most comprehensive casino complex in Atlantic City. At that point, the complex would offer 180,000 square feet of casino space, approximately 2,000 hotel rooms and an unparalleled array of food, beverage, meeting, recreational, entertainment, retail and parking facilities. From an operational efficiency standpoint, however, the complex would suffer somewhat due to the duplication of many facilities (i.e., cages, hard count rooms, soft count rooms, etc.) and employee positions.

On the basis of these factors, it was estimated that the Taj could be expected to achieve a penetration of 87 percent of its fair share during its first year of operation, 89 percent in 1990 and 91 percent thereafter (1991 and 1992). The application of these penetration rates resulted in the following prospective levels of win for the Taj:

<u>Year</u>	<u>Taj Mahal's percentage of "fair" share on a per- square-foot basis</u>	<u>Prospective casino win - Taj Mahal (000's)</u>
1989	87%	\$364,356
1990	89	395,096
1991	91	428,213
1992	91	453,906

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PROSPECTIVE MARKET POSITIONS -- CASINO WIN

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Taj Mahal with RICH as a Competing Casino-Hotel

With RICH as a competing facility, rather than a complementary one as in the previous scenario, we believe that Management would be more aggressive in its casino programs and would certainly not share markets with RICH as assumed in the previous Taj scenario. On the other hand, the Taj would not have the facilities of RICH to help it attract convention business under this scenario. The overall effect of these differences would be slight decreases in the percentages of fair share for the Taj and the resulting levels of prospective casino win:

<u>Year</u>	<u>Taj Mahal's percentage of "fair" share on a per- square-foot basis</u>	<u>Prospective casino win - Taj Mahal (000's)</u>
1989	86%	\$360,168
1990	88	390,657
1991	90	423,507
1992	90	448,918

Taj Mahal with RICH Supporting but
Casino Closed

Similar to the scenario wherein both the Taj and RICH are in operation as full-service, jointly-operated casino-hotels, a combination of the two should continue to be extremely competitive. In fact, under the scenario wherein RICH's casino

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PROSPECTIVE MARKET POSITIONS - CASINO WIN

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is closed and converted to meeting or exhibition space, the combination will maximize competitiveness and profitability. Certain of the positive aspects which emerge from this scenario, in addition to the increased profitability, include: (1) even more casino support facilities are available to the Taj; (2) the Taj has one less casino with which to compete (as well as minimizing the dilution of Citywide win); and, (3) the savings in time and dollars associated with the orderly transfer of employees, funds, inventories and the like from the RICH to the Taj (versus new hiring, training, etc.).

Understanding the above, percentages of fair share for the Taj and resultant levels of prospective casino win are estimated to be as follows:

<u>Year</u>	<u>Taj Mahal's percentage of "fair" share on a per- square-foot basis</u>	<u>Prospective casino win - Taj Mahal (000's)</u>
1989	110%	\$487,212
1990	112	530,795
1991	114	577,888
1992	114	612,561

M0003438

PROSPECTIVE ANALYSES OF CASH FLOW

Prospective analyses of cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income ("cash flow") were prepared in inflated dollars for the four years ending December 31, 1992 for the RICH and Taj Mahal properties under the scenarios previously discussed.

The historical operating results of the RICH were utilized as a primary basis for its prospective cash flows and

M0003439

PROSPECTIVE ANALYSES OF CASH FLOW

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these, plus the past results of other Atlantic City casino-hotels, formed the bases for the Taj Mahal's prospective analyses. The assumption that The Trump Organization, or an affiliate thereof, will be retained to coordinate the operations of the casino-hotels, as proposed, was made herein with the prospective levels of revenues increased and the levels of expenses reduced on the basis of their successful performances in Atlantic City, namely at the Trump Plaza and Trump's Castle. Estimated amounts for "real estate and other taxes" were provided by Resorts. The analyses were initially prepared in current 1987 dollars then adjusted for inflation at an assumed rate of four percent per year. All of the statements and Exhibits herein are expressed in dollars adjusted for the assumed effects of inflation.

The Exhibits found at the end of this report present the prospective analyses in detailed form for the four years ending December 31, 1992 as follows:

Exhibit A - RICH and Taj Mahal Owned by Resorts as
Casino-Hotels — Combined

Exhibit A-1 - RICH Owned by Resorts

Exhibit A-2 - Taj Mahal Hotel & Casino

Exhibit B - RICH and Taj Mahal Owned by Resorts (with
RICH Casino Closed) — Combined

Exhibit B-1 - RICH Owned by Resorts (with Casino
Closed)

Exhibit B-2 - Taj Mahal Hotel & Casino (with RICH Owned
by Resorts, with Casino Closed)

PROSPECTIVE ANALYSES OF CASH FLOW

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Exhibit C - RICH Owned and Operated by a Competitor
Taj Mahal Owned by Resorts (1)
Competition with RICH) -- Combined

Exhibit C-1 - RICH Owned and Operated by a Competitor

Exhibit C-2 - Taj Mahal Owned by Resorts (1)
Competition with RICH)

The tables on the following pages are provided to facilitate prospective cash flow comparison between scenarios. These tables compare the prospective cash flows for 1989, the first full calendar year of operation for the Taj Mahal, for each property and combined under the various scenarios. Combined prospective analyses are provided for the scenario wherein RICH is sold solely to enable a comparison of total profitability between scenarios. Obviously, no such consolidated statement would exist in actuality as the properties would be owned by two separate entities.

The first table, on page 33, compares the combined cash flows for the various scenarios for 1989. These aggregate cash flow comparisons are more important to Resorts as an owner than might be the individual prospective cash flows.

Supplemental Report to the Report of the Special Agent in Charge
 dated 10/1/89, re: the activities of the [redacted]
 and the [redacted] in the [redacted]
 and the [redacted] in the [redacted]

(Continued on backside of this report)

	Source: [redacted]			Source: [redacted]			Source: [redacted]			Source: [redacted]			Source: [redacted]			Source: [redacted]		
	Actual	Percent	Total	Actual	Percent	Total	Actual	Percent	Total	Actual	Percent	Total	Actual	Percent	Total	Actual	Percent	Total
Costs and expenses:																		
Costs:																		
Food and beverage	12,173	2.1	12,173	12,173	2.1	12,173	12,173	2.1	12,173	12,173	2.1	12,173	12,173	2.1	12,173	12,173	2.1	12,173
Travel	14,173	2.5	14,173	14,173	2.5	14,173	14,173	2.5	14,173	14,173	2.5	14,173	14,173	2.5	14,173	14,173	2.5	14,173
Telephone	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173
Postage	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173
Other operating departments	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173
Total gross revenue	64,113	100.0	64,113	64,113	100.0	64,113	64,113	100.0	64,113	64,113	100.0	64,113	64,113	100.0	64,113	64,113	100.0	64,113
Less: Compensation services	26,113	40.7	26,113	26,113	40.7	26,113	26,113	40.7	26,113	26,113	40.7	26,113	26,113	40.7	26,113	26,113	40.7	26,113
Total net revenue	38,000	59.3	38,000	38,000	59.3	38,000	38,000	59.3	38,000	38,000	59.3	38,000	38,000	59.3	38,000	38,000	59.3	38,000
Costs and expenses:																		
Costs:																		
Food and beverage	12,173	2.1	12,173	12,173	2.1	12,173	12,173	2.1	12,173	12,173	2.1	12,173	12,173	2.1	12,173	12,173	2.1	12,173
Travel	14,173	2.5	14,173	14,173	2.5	14,173	14,173	2.5	14,173	14,173	2.5	14,173	14,173	2.5	14,173	14,173	2.5	14,173
Telephone	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173
Postage	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173
Other operating departments	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173
Total gross revenue	64,113	100.0	64,113	64,113	100.0	64,113	64,113	100.0	64,113	64,113	100.0	64,113	64,113	100.0	64,113	64,113	100.0	64,113
Less: Compensation services	26,113	40.7	26,113	26,113	40.7	26,113	26,113	40.7	26,113	26,113	40.7	26,113	26,113	40.7	26,113	26,113	40.7	26,113
Total net revenue	38,000	59.3	38,000	38,000	59.3	38,000	38,000	59.3	38,000	38,000	59.3	38,000	38,000	59.3	38,000	38,000	59.3	38,000
Costs and expenses:																		
Costs:																		
Food and beverage	12,173	2.1	12,173	12,173	2.1	12,173	12,173	2.1	12,173	12,173	2.1	12,173	12,173	2.1	12,173	12,173	2.1	12,173
Travel	14,173	2.5	14,173	14,173	2.5	14,173	14,173	2.5	14,173	14,173	2.5	14,173	14,173	2.5	14,173	14,173	2.5	14,173
Telephone	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173
Postage	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173
Other operating departments	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173	1,173	0.2	1,173
Total gross revenue	64,113	100.0	64,113	64,113	100.0	64,113	64,113	100.0	64,113	64,113	100.0	64,113	64,113	100.0	64,113	64,113	100.0	64,113
Less: Compensation services	26,113	40.7	26,113	26,113	40.7	26,113	26,113	40.7	26,113	26,113	40.7	26,113	26,113	40.7	26,113	26,113	40.7	26,113
Total net revenue	38,000	59.3	38,000	38,000	59.3	38,000	38,000	59.3	38,000	38,000	59.3	38,000	38,000	59.3	38,000	38,000	59.3	38,000

Each line item is expressed as a percentage of total gross revenue.

Actual and projected are not due to rounding.

The amounts and percentages contained in this report are on a budgetary basis.

M0003442

**RESORTS INTERNATIONAL CASINO-HOTEL ("RICH")
ATLANTIC CITY, NEW JERSEY**

**COMPARATIVE PROSPECTIVE ANALYSES OF CASH FLOW (DEFICIT) FROM
OPERATIONS BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT OF
FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME
YEAR ENDING DECEMBER 31, 1989**

(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

	RICH as a casino-hotel owned by Resorts		RICH as a supporting noncasino-hotel owned by Resorts		RICH as a competing casino-hotel	
	Amount	Percent	Amount	Percent	Amount	%
Revenues:						
Casino	\$182,178	78.25	88	0.25	\$177,938	
Guest room	16,949	7.3	16,181	52.3	17,818	
Food	17,469	7.5	7,739	23.8	17,739	
Beverage	9,828	4.2	4,385	14.5	8,839	
Entertainment	4,034	2.0	0	0.0	4,934	
Other operating departments	1,947	0.8	1,947	6.4	1,947	
Total gross revenues	222,355	100.0	38,229	100.0	229,547	
Less complimentary services	25,825	11.6	0	0.0	23,957	
Total net revenues	196,530	88.4	38,229	100.0	205,590	
Costs and expenses:						
Casino	88,158	34.4	0	0.0	81,873	
Guest room	5,532	2.5	5,625	14.6	7,127	
Food and beverage	22,688	9.6	9,386	24.0	21,438	
Entertainment	2,317	1.0	0	0.0	4,388	
Other operating departments	4,426	1.9	1,822	4.4	4,426	
Security	5,391	2.4	357	0.9	5,391	
Selling, general and administrative	21,938	9.4	4,326	11.3	22,264	
Property operations and maintenance	9,318	4.0	2,245	5.7	18,283	
Provision for doubtful accounts	1,953	0.5	0	0.0	1,953	
Casino win tax	14,574	6.3	0	0.0	14,235	
Real estate and other taxes	5,928	2.5	5,928	15.6	5,928	
Total costs and expenses	188,672	77.6	31,182	81.9	184,953	
Cash flow (deficit) from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income	87,858	31.45	7,047	-2.9%	20,637	

* Under separate ownership; cash flow would accrue to other owner.

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

M0003443

Taj Mahal Hotel & Casino ("Taj")
ATLANTIC CITY, NEW JERSEY

COMPARATIVE PROSPECTIVE ANALYSES OF CASH FLOW FROM OPERATIONS
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT OF FIXED
ASSETS, DEBT SERVICE AND TAXES ON INCOME
YEAR ENDING DECEMBER 31, 1989

(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

	Taj with RICH as a casino-hotel owned by Resorts		Taj with RICH as a supporting noncasino-hotel owned by Resorts		Taj with RICH as a supporting casino-hotel	
	Amount	Percent	Amount	Percent	Amount	Percent
Revenues:						
Casino	\$364,336	79.25	\$457,212	81.85	\$364,164	79.
Guest rooms	32,816	7.1	32,816	5.9	32,816	7.
Food	34,973	7.6	42,387	7.1	34,976	7.
Beverage	19,675	4.3	23,386	4.2	19,449	4.
Entertainment	6,194	1.3	7,576	1.3	4,582	1.
Other operating departments	2,163	0.5	2,163	0.4	2,163	0.
Total gross revenues	468,163	100.0	565,541	100.0	453,675	100.
Less complimentary services	58,629	11.8	63,510	11.8	49,984	11.
Total net revenues	409,533	88.0	502,032	88.0	403,691	89.
Costs and expenses:						
Casino	132,405	30.1	178,524	31.6	137,534	30.
Guest rooms	18,173	2.2	18,173	1.7	18,272	2.
Food and beverage	44,895	10.5	57,881	9.7	47,812	10.
Entertainment	9,291	2.0	11,743	2.0	7,699	1.
Other operating departments	4,218	0.9	4,799	0.8	4,218	0.
Security	18,124	2.2	18,729	1.8	18,872	2.
Selling, general and administrative	46,818	10.8	46,834	8.2	45,821	10.
Property operations and maintenance	28,788	4.5	22,835	3.7	28,597	4.
Provision for doubtful accounts	2,186	0.5	2,923	0.5	2,161	0.
Casino win tax	25,148	6.3	38,977	6.5	28,813	6.
Real estate and other taxes	18,225	2.2	18,225	1.7	18,225	2.
Total costs and expenses	328,644	71.4	388,796	65.3	325,275	71.
Cash flow from operations before management fees, reserve for replacement of fixed assets debt service and taxes on income	86,889	17.63	114,236	21.75	128,416	17.

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

M0003444

PROSPECTIVE ANALYSES OF CASH FLOW

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In summary, the prospective cash flows accruing to Resorts as owner under the various scenarios are as follows:

Prospective cash flows from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income (000's)			
Year	RICH and Taj Owned by Resorts as Casino-Hotels	RICH and Taj Owned by Resorts (with RICH Casino Closed)	Taj Owned by Resorts (in Competition with RICH)
1989	\$107,577	\$140,363	\$ 78,496
1990	125,293	161,125	90,770
1991	143,830	184,864	105,473
1992	157,774	200,380	115,359

Two primary conclusions can be drawn from the prospective cash flows: (1) the efficiencies associated with the use of RICH without a casino as a supporting facility to the Taj more than overcome the reduced revenues in that scenario (as compared to the combined casino-hotel scenario) to result in higher profits; and (2) the operation of the Taj in competition with RICH under a new owner/operator results in greatly reduced operating cash flows to Resorts. The prospective cash flows for a competitive RICH under this scenario would not support a value, or sales proceeds to Resorts, sufficient to offset the reduction in annual cash flows to Resorts after a sale.

M0003445

ELDM AND TAJ MAHAL OWNED BY RESORTS AS CASINO-HOTELS -- COMBINED
ATLANTIC CITY, NEW JERSEY

EDC

PROSPECTIVE ANALYSES OF CASH FLOW FROM OPERATIONS
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT
OF FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME

(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

	For years ending December 31,							
	1989		1990		1991		1992	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Perct
Revenues:								
Casino	\$546,534	78.25	\$538,285	78.25	\$632,988	78.38	\$678,883	
Guest rooms	49,763	7.2	51,786	7.2	56,862	7.1	59,678	
Food	92,467	7.6	95,461	7.6	98,739	7.6	64,485	
Beverage	29,513	4.3	31,763	4.3	34,177	4.3	36,228	
Entertainment	18,749	1.6	11,544	1.5	12,377	1.5	13,141	
Other operating departments	4,118	0.6	4,387	0.6	4,562	0.6	4,745	
Total gross revenues	631,138	100.0	746,873	100.0	861,672	100.0	843,871	11
Less complimentary services	76,245	11.0	82,868	11.0	88,184	11.0	93,398	1
Total net revenues	554,893	89.0	664,005	89.0	773,488	89.0	750,474	1
Costs and expenses:								
Casino	218,614	31.5	222,886	31.1	246,253	38.7	259,137	
Guest rooms	16,182	2.3	16,991	2.3	17,797	2.2	18,574	
Food and beverage	78,583	18.2	74,872	18.0	79,523	9.9	81,685	
Entertainment	18,628	2.7	19,972	2.7	21,418	2.7	22,695	
Other operating departments	8,653	1.2	9,111	1.2	9,476	1.2	9,855	
Security	15,715	2.3	16,488	2.2	17,113	2.1	17,833	
Selling, general and administrative	67,916	9.8	71,132	9.5	74,487	9.3	77,767	
Property operations and maintenance	38,826	4.3	31,458	4.2	32,925	4.1	34,386	
Provision for doubtful accounts	1,279	0.5	1,528	0.5	1,797	0.5	4,825	
Casino win tax	43,723	6.3	47,856	6.3	58,633	6.3	53,671	
Real estate and other taxes	16,154	2.3	16,192	2.2	16,233	2.0	16,273	
Total costs and expenses	589,315	71.5	538,712	72.2	589,658	71.1	597,988	7
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income	917,577	15.25	912,293	16.25	914,838	17.95	915,774	1

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

M0003446

RICH OWNED BY RESORTS
ATLANTIC CITY, NEW JERSEY

EDH

PROSPECTIVE ANALYSES OF CASH FLOW FROM OPERATIONS
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT
OF FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME

(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

For years ending December 31,							
1989		1990		1991		1992	
Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Revenues:							
Casino							
Guest rooms							
Food							
Beverage							
Entertainment							
Other operating departments							
Total gross revenues							
Less complimentary services							
Total net revenues							
Costs and expenses:							
Casino							
Guest rooms							
Food and beverage							
Entertainment							
Other operating departments							
Security							
Selling, general and administrative							
Property operations and maintenance							
Provision for doubtful accounts							
Casino win tax							
Real estate and other taxes							
Total costs and expenses							
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income							

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

00003410

TAJ MAHAL HOTEL & CASINO
ATLANTIC CITY, NEW JERSEY

PROSPECTIVE ANALYSIS OF CASH FLOW FROM OPERATIONS:
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT
OF FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME

(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

	For years ending December 31,							
	1989		1990		1991		19	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	
Revenues:								
Casino	\$364,336	79.25	\$375,936	79.15	\$428,213	79.25	\$457,986	
Guest rooms	32,816	7.1	36,673	7.2	38,537	7.1	48,685	
Food	34,978	7.6	37,989	7.6	41,186	7.6	43,575	
Beverage	19,675	4.3	21,335	4.3	23,124	4.3	24,511	
Entertainment	6,194	1.3	6,717	1.3	7,288	1.3	7,716	
Other operating departments	2,163	0.5	2,362	0.5	2,457	0.5	2,355	
Total gross revenues	468,163	100.0	475,519	100.0	548,718	100.0	572,869	
Less complimentary services	58,628	11.0	54,947	11.0	55,475	11.0	62,816	
Total net revenues	409,535	89.0	420,572	89.0	493,243	89.0	510,053	
Costs and expenses:								
Casino	138,455	38.1	147,673	39.6	157,534	39.1	165,788	
Guest rooms	18,173	2.2	18,822	2.2	19,388	2.1	19,981	
Food and beverage	48,935	18.5	51,293	18.3	54,722	18.1	57,595	
Entertainment	9,291	2.8	10,675	2.8	10,519	2.8	11,575	
Other operating departments	4,218	0.9	4,499	0.9	4,679	0.9	4,867	
Security	18,124	2.2	18,575	2.1	19,845	2.8	19,518	
Selling, general and administrative	46,818	18.8	48,273	9.7	58,633	9.4	58,863	
Property operations and maintenance	28,788	4.5	29,725	4.3	29,785	4.2	29,791	
Provision for doubtful accounts	2,186	0.5	2,371	0.5	2,569	0.5	2,723	
Casino win tax	23,148	6.3	31,688	6.3	34,257	6.3	36,312	
Real estate and other taxes	18,225	2.2	18,251	2.1	18,277	1.9	18,382	
Total costs and expenses	328,644	71.4	343,181	69.9	378,881	68.6	389,227	
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income	80,891	17.65	77,391	19.15	114,362	29.45	120,826	

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

M0003448

RICH AND TAJ MAHAL OWNED BY RESORTS (WITH
 RICH CASINO CLOSED) — COMBINED
 ATLANTIC CITY, NEW JERSEY

PROSPECTIVE ANALYSES OF CASH FLOW FROM OPERATIONS
 BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT
 OF FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME

(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

For years ending December 31,							
1989		1990		1991		1992	
Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Revenues:							
Casino	8457,212	77.91	8538,795	77.63	8577,888	77.85	8612,561
Guest rooms	44,918	7.8	52,824	7.7	55,950	7.5	58,717
Food	58,183	8.8	54,672	8.8	57,522	8.8	63,894
Beverage	27,771	4.4	38,285	4.4	32,948	4.4	34,916
Entertainment	7,576	1.2	18,774	1.6	11,573	1.6	12,238
Other operating departments	4,118	8.7	4,387	8.6	4,562	8.6	4,745
Total gross revenues	625,778	100.0	643,788	100.0	742,457	100.0	786,263
Less complimentary services	65,518	18.5	71,683	18.5	77,534	18.5	82,571
Total net revenues	560,260	89.5	612,824	89.5	664,923	89.5	703,692
Costs and expenses:							
Casino	178,524	27.3	182,485	28.7	185,132	28.3	185,364
Guest rooms	15,886	2.9	16,683	2.4	17,476	2.4	18,248
Food and beverage	67,869	18.8	72,557	18.6	77,663	18.5	81,735
Entertainment	11,743	1.9	16,788	2.4	17,969	2.4	18,957
Other operating departments	6,381	1.8	6,749	1.8	7,819	8.9	7,388
Security	11,877	1.8	11,578	1.7	12,896	1.6	12,685
Selling, general and administrative	53,161	8.5	55,817	8.2	58,824	7.9	61,123
Property operations and maintenance	25,288	4.8	26,538	3.9	27,819	3.7	28,834
Provision for doubtful accounts	2,923	8.5	3,185	8.5	3,467	8.5	3,675
Casino win tax	38,577	6.2	42,464	6.2	46,231	6.2	49,885
Real estate and other taxes	16,154	2.6	16,192	2.4	16,233	2.2	16,273
Total costs and expenses	419,897	67.1	458,988	63.9	473,668	64.6	503,312
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income	9148,363	22.45	9161,125	23.63	9184,864	24.95	9208,388

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

M0003449

RICH OWNED BY RESORTS (WITH CASINO CLOSED)
ATLANTIC CITY, NEW JERSEY

PROSPECTIVE ANALYSES OF CASH FLOW FROM OPERATIONS
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT
OF FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME

(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

	For years ending December 31,						
	1989		1990		1991		1992
	Amount	Percent	Amount	Percent	Amount	Percent	Amount
Revenues:							
Casino	0	0.0	0	0.0	0	0.0	0
Guest rooms	16,101	51.3	16,745	52.3	17,415	51.3	18,112
Food	7,735	23.8	8,493	26.3	9,246	27.2	9,881
Beverage	4,385	14.5	4,777	14.9	5,281	15.3	5,513
Entertainment	0	0.0	0	0.0	0	0.0	0
Other operating departments	1,947	6.4	2,025	6.3	2,106	6.2	2,190
Total gross revenues	30,228	100.0	32,048	100.0	33,968	100.0	35,616
Less complimentary services	0	0.0	0	0.0	0	0.0	0
Total net revenues	30,228	100.0	32,048	100.0	33,968	100.0	35,616
Costs and expenses:							
Casino	0	0.0	0	0.0	0	0.0	0
Guest rooms	5,635	18.6	5,861	18.3	6,095	17.9	6,339
Food and beverage	3,968	13.0	4,644	14.5	5,125	15.1	5,379
Entertainment	0	0.0	0	0.0	0	0.0	0
Other operating departments	1,622	5.4	1,657	5.2	1,735	5.2	1,820
Security	1,357	4.5	1,371	4.3	1,386	4.1	1,401
Selling, general and administrative	4,326	14.3	4,499	14.0	4,679	13.8	4,857
Property operations and maintenance	3,245	10.7	3,375	10.5	3,510	10.3	3,650
Provision for doubtful accounts	0	0.0	0	0.0	0	0.0	0
Casino win tax	0	0.0	0	0.0	0	0.0	0
Real estate and other taxes	5,928	19.6	5,942	18.5	5,957	17.5	5,972
Total costs and expenses	31,182	102.9	32,419	101.2	33,811	99.5	35,062
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income	(854)	-2.9%	(371)	-1.2%	157	0.5%	554

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

M0003450

TAJ MAHAL HOTEL & CASINO (WITH RICH OWNED BY RESORTS, WITH CASINO CLOSED)
ATLANTIC CITY, NEW JERSEY

EXH

PROSPECTIVE ANALYSES OF CASH FLOW FROM OPERATIONS
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT
OF FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME

(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

	For years ending December 31,							
	1989		1990		1991		1992	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Per
Revenues:								
Casino	6487,212	81.85	6538,795	81.25	6577,886	81.63	6612,951	
Guest rooms	32,816	2.5	36,879	2.5	38,557	2.4	44,665	
Food	42,387	7.1	46,179	7.1	50,276	7.1	53,233	
Beverage	23,386	2.9	25,478	2.9	27,735	2.9	29,463	
Entertainment	7,576	1.3	18,774	1.7	11,933	1.6	12,238	
Other operating departments	2,163	0.4	2,362	0.4	2,457	0.3	2,338	
Total gross revenues	995,541	100.0	631,668	100.0	708,489	100.0	738,647	
Less complimentary services	63,518	11.8	71,663	11.8	77,534	11.8	82,571	
Total net revenues	538,832	89.8	575,984	89.8	638,955	89.8	656,076	
Costs and expenses:								
Casino	178,524	28.6	182,485	28.8	195,132	27.5	205,364	
Guest rooms	18,173	1.7	18,822	1.7	11,388	1.6	11,981	
Food and beverage	57,861	2.7	61,913	2.9	66,233	2.3	69,787	
Entertainment	11,743	2.8	16,788	2.6	17,969	2.9	18,957	
Other operating departments	4,739	0.8	5,862	0.8	5,124	0.7	5,473	
Security	18,728	1.8	11,287	1.7	11,718	1.7	12,284	
Selling, general and administrative	44,834	2.2	51,318	7.9	57,873	7.6	59,610	
Property operations and maintenance	22,835	1.7	23,135	1.6	24,385	1.4	25,151	
Provision for doubtful accounts	2,923	0.5	1,185	0.5	1,467	0.5	1,573	
Casino win tax	38,977	6.5	42,464	6.5	46,231	6.5	49,888	
Real estate and other taxes	18,226	1.7	18,251	1.6	18,277	1.5	18,382	
Total costs and expenses	384,796	63.3	418,481	64.2	445,849	62.9	468,229	
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income	9141,236	23.75	9161,504	24.85	9184,787	25.15	9195,847	

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

M0003451

RICH OWNED AND OPERATED BY A COMPETITOR;
TAJ MAHAR OWNED BY RESORTS (IN COMPETITION WITH RICH) -- COMBINED
ATLANTIC CITY, NEW JERSEY

PROSPECTIVE ANALYSES OF CASH FLOW FROM OPERATIONS
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT
OF FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME

(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

For years ending December 31,							
1989		1990		1991		1992	
Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Revenues:							
Casino							
Guest rooms							
Food							
Beverage							
Entertainment							
Other operating departments							
Total gross revenues							
Less complimentary services							
Total net revenues							
Costs and expenses:							
Casino							
Guest rooms							
Food and beverage							
Entertainment							
Other operating departments							
Security							
Selling, general and administrative							
Property operations and maintenance							
Provision for doubtful accounts							
Casino win tax							
Real estate and other taxes							
Total costs and expenses							
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income							

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

M0003452

**RICH OWNED AND OPERATED BY A COMPETITOR
ATLANTIC CITY, NEW JERSEY**

EX

**PROSPECTIVE ANALYSES OF CASH FLOW FROM OPERATIONS
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT
OF FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME**

(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

	For years ending December 31,							
	1989		1990		1991		1992	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Revenues:								
Casino	\$177,998	77.9%	\$199,768	78.4%	\$211,754	78.3%	\$224,459	78.3%
Guest rooms	17,818	7.8	18,338	7.3	19,272	7.1	20,042	7.1
Food	17,799	7.8	19,777	7.8	21,175	7.8	22,446	7.8
Beverage	8,988	3.9	9,988	3.9	10,584	3.9	11,223	3.9
Entertainment	4,894	1.8	4,885	1.8	4,879	1.8	5,163	1.8
Other operating departments	1,947	0.9	2,825	0.8	2,186	0.8	2,198	0.8
Total gross revenues	226,547	100.0	254,863	100.0	269,763	100.0	285,523	100.0
Less complimentary services	23,997	10.5	26,763	10.5	28,325	10.5	29,988	10.5
Total net revenues	204,549	89.5	228,100	89.5	241,438	89.5	255,535	89.5
Costs and expenses:								
Casino	\$1,875	35.8	\$2,196	35.8	\$2,867	34.8	\$2,798	34.8
Guest rooms	7,127	2.1	7,412	2.9	7,799	2.9	8,017	2.9
Food and beverage	21,495	18.3	25,585	18.8	26,536	18.8	28,346	18.8
Entertainment	4,382	1.7	4,419	1.7	4,984	1.7	5,057	1.7
Other operating departments	4,425	1.9	4,612	1.8	4,736	1.8	4,868	1.8
Security	5,465	2.4	5,746	2.3	5,987	2.2	6,238	2.2
Selling, general and administrative	22,358	9.8	23,621	9.3	24,662	9.1	25,720	9.1
Property operations and maintenance	18,285	4.5	18,851	4.3	19,817	4.2	20,851	4.2
Provision for doubtful accounts	1,333	0.6	1,498	0.6	1,598	0.6	1,663	0.6
Casino win tax	14,239	6.2	15,981	6.3	16,946	6.3	17,917	6.3
Real estate and other taxes	5,928	2.6	5,942	2.3	5,957	2.2	5,972	2.2
Total costs and expenses	104,953	88.9	199,863	78.4	209,758	77.8	228,154	77.8
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income	\$99,596	8.65	\$28,237	11.15	\$31,681	11.75	\$27,381	11.75

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

M0003453

TRAH WAHL OWNED BY RESORTS (IN COMPETITION WITH RICO)
ATLANTIC CITY, NEW JERSEY

EXHIBIT C

PROSPECTIVE ANALYSES OF CASH FLOW FROM OPERATIONS
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT
OF FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME

(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

For years ending December 31,

	1989		1990		1991		1992	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Revenues:								
Casino	\$364,168	73.45	\$398,637	73.15	\$422,587	73.25	\$448,918	73.1
Guest rooms	32,816	7.2	35,592	7.2	38,838	7.1	44,878	7.1
Food	34,576	7.6	37,583	7.6	40,637	7.6	43,896	7.1
Beverage	19,449	4.3	21,895	4.3	22,869	4.3	24,242	4.1
Entertainment	4,582	1.8	6,836	1.4	7,411	1.4	7,856	1.1
Other operating departments	2,163	0.5	2,362	0.5	2,457	0.5	2,333	0.1
Total gross revenues	453,675	100.0	494,946	100.0	534,331	100.0	566,745	100.0
Less complimentary services	49,984	11.0	54,345	11.0	58,842	11.0	62,342	11.0
Total net revenues	403,771	89.0	439,781	89.0	475,489	89.0	504,403	89.0
Costs and expenses:								
Casino	137,584	38.3	146,774	39.7	156,592	39.3	164,797	39.1
Guest rooms	18,272	2.3	18,866	2.2	11,427	2.1	11,958	2.1
Food and beverage	47,812	18.5	51,886	18.3	54,418	18.2	57,269	18.1
Entertainment	7,699	1.7	11,698	2.4	12,673	2.4	13,434	2.4
Other operating departments	4,218	0.9	4,499	0.9	4,679	0.9	4,867	0.9
Security	18,872	2.2	18,924	2.1	18,992	2.1	11,454	2.1
Selling, general and administrative	45,821	18.1	44,183	9.7	38,454	9.4	32,682	9.1
Property operations and maintenance	28,597	4.5	21,623	4.4	22,679	4.2	21,681	4.1
Provision for doubtful accounts	2,163	0.5	2,344	0.5	2,541	0.5	2,694	0.5
Casino win tax	28,813	6.4	31,253	6.3	33,681	6.3	35,913	6.1
Real estate and other taxes	18,226	2.3	18,251	2.1	18,277	1.9	18,382	1.1
Total costs and expenses	325,275	71.7	344,331	78.6	378,613	69.3	393,844	68.1
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income	77,496	17.35	95,778	18.45	106,875	19.75	110,559	21.1

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

M0003454